

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

Subcommittee on Statistics

First session  
18-20 February 2004  
Bangkok

**REPORTS FOR THE ATTENTION OF THE SUBCOMMITTEE:  
MATTERS ARISING FROM THE FIRST SESSION OF  
THE COMMITTEE ON POVERTY REDUCTION**

(Item 9 (a) of the provisional agenda)

*Note by the secretariat*

**SUMMARY**

The Committee on Poverty Reduction held its first session from 8 to 10 October 2003. This document summarizes the main substantive points arising from the Committee's deliberations which call for attention by the Subcommittee on Statistics.

1. The Committee on Poverty Reduction, one of three thematic committees set up under resolution 58/1 of 22 May 2002 on restructuring the conference structure of the Commission, held its first session in Bangkok from 8 to 10 October 2003. The Subcommittee on Statistics is one of two subcommittees reporting to the Committee on Poverty Reduction, as indicated in annex I, which shows the current conference structure. The report of the Committee will be available to the Subcommittee, and this note attempts to summarize the main substantive points arising from the Committee's deliberations which call for the Subcommittee's attention.

2. The Subcommittee on Statistics has no separate terms of reference, drawing those from the relevant clauses of the terms of reference of the Committee on Poverty Reduction, which are attached as annex II. The particular clause of relevance to statistics and the Subcommittee is shown below:

[The Committee shall ....]

3. Review and analyse progress in the development of statistics in the region, assist in the strengthening of national statistical infrastructure and promote the improvement of the quality of statistics, with emphasis on the following areas:

(a) Improvement and harmonization of methodologies for poverty measurement and related economic and social statistics;

(b) Priority fields of statistics identified by members and associate members, including, but not limited to, national accounts, the informal sector, gender statistics, environment statistics and statistics on information and communications technologies and the knowledge-based economy.

3. As a result of the discussions at its first session the Committee considered that, as called for in its terms of reference, it had provided the Subcommittee with overall direction on the issues to be addressed and the prioritization of its work. It welcomed the fact that the tentative draft provisional agenda for the first session of the Subcommittee not only included a focus on poverty statistics but also allowed for discussion of several important fields of statistics identified as priority by countries, and which had strong linkages to poverty measurement. Subsequent to the session of the Committee, the secretariat took into account as far as possible the observations made during the session and drew up the provisional agenda for the current Subcommittee session after national statistical offices had had an opportunity to comment.

4. The report of the Committee on the item directly related to statistics, namely "Poverty statistics: statistics needed for poverty measurement", is provided in annex III. It is anticipated that several of the issues raised in those paragraphs will have already been discussed by the Subcommittee in its deliberations under other agenda items, notably item 6 on poverty statistics and therefore they are not recapitulated here. The Committee may, however, wish to take note of those matters, some of

a general nature and others related specifically to statistics, which call for action by the Commission or which are brought to its attention. Those are listed below.

(a) The Committee recommended that ESCAP, being the only comprehensive intergovernmental organization dedicated to economic and social development in the region, play an important role in pooling the development experiences of countries in the region and ensuring greater cooperation and exchange of ideas and information.

(b) The Committee recommended that all stakeholders, including bilateral donors, international organizations, Governments and civil society, cooperate with each other and coordinate their efforts to achieve the Millennium Development Goals. The United Nations should play an active role in achieving success in that regard.

(c) The Committee held the view that ESCAP could assist and facilitate the strengthening of government and civil society partnership in poverty reduction efforts.

(d) The Committee was informed about the decentralization reforms introduced by countries. Besides the numerous benefits of those reforms, there were challenges of coordination among different levels of government. The Committee recommended that ESCAP could assist in sharing the experiences of countries that had undertaken decentralization reforms. That would help in tackling the challenges of decentralization.

(e) The Committee recommended that ESCAP, along with other multilateral institutions, provide technical assistance to countries reforming their budgetary system in implementing operational budgeting for increasing efficiency of resources spent by government and as a long-term plan, in upgrading the operational method to the advanced method, which was zero-based.

(f) The Committee encouraged ESCAP to expand its networking efforts to provide more coherence in the identification and replication of poverty reduction interventions. It urged the secretariat to place special emphasis on capacity-building and capability enhancement of the implementing agencies in the formulation and implementation of poverty reduction programmes. In particular, it drew attention to the need to strengthen the capacity of implementing agencies at the local level, since it recognized that the most effective interventions were at the micro level.

(g) The Committee noted that sound poverty measurement at the country level depended on the national statistical system as a whole.

(h) The Committee noted that a regional action plan to improve poverty statistics and support the Millennium Development Goals was needed and suggested that the Subcommittee on Statistics be given the mandate to prepare a draft plan. The view was expressed that any action plan on poverty statistics should not involve monitoring the incidence of poverty at the national level.

(i) The Committee noted that good poverty analysis required good-quality data and accurate information.

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(j) The Committee stressed that survey respondents should be viewed as clients of the national statistical system and that data methods and results should be as widely available and user-friendly as possible.

(k) The Committee noted the value for statistical agencies of providing easy access to micro data, via web sites and other means, provided that the principle of confidentiality of personal data was fully respected.

(l) The Committee emphasized the importance of transparent disclosure of the sources on which data collection was based, and of any limitations that underlying survey techniques and methods posed for the interpretation of data.

(m) The Committee recommended that poverty statisticians and policy planners regard the media as an ally and actively nurture relationships with its representatives.

(n) The Committee emphasized the benefits of linking the results of different household surveys, allowing the integration of income and expenditure data, on the one hand, and other socio-economic information, on the other.

(o) The Committee called for increased international efforts to develop alternative measures of poverty and to standardize concepts and methodologies in that field.

(p) The Committee stressed the importance of according adequate priority and resources to the collection of the administrative data that were needed to monitor development targets; it emphasized that national statistical offices should treat suppliers of administrative data as valued customers and partners.

5. Other points from the Committee report of which the Subcommittee might wish to take note include the following:

(a) The secretariat document on financial and resource mobilization issues in implementing the Millennium Development Goal target on income poverty raised many data requirement issues. The Committee noted that a model-based methodology for the costing of the Goals could encounter a major constraint in many countries because of the non-availability of statistical data.

(b) In discussing the project on supporting the achievement of the Millennium Development Goals, the Committee noted that the scarcity of relevant and reliable data was a major obstacle in preparing the report on regional progress on the Goals. The Committee therefore encouraged the secretariat to increase efforts to build national statistical capacity. Following improvements in data quality and availability, the Committee noted that the secretariat could prepare a similar, more comprehensive, report in 2005. The Committee was informed that the Statistical Institute for Asia and the Pacific, subject to the availability of funding by UNDP, would be initiating a project to promote Millennium Development Goal statistical capacity-building.

(c) The Committee noted the distinction between the national poverty line and the \$1 a day purchasing power parity (PPP)-adjusted international poverty line set by the World Bank. The national poverty line used by Governments in their poverty eradication efforts was considered to have more operational validity than the international line, which had been created simply for international comparison and as part of the international endeavour to mobilize international resources to assist the poor countries. The Committee noted with concern that the adoption of the international poverty line by countries of the region might yield higher poverty incidence rates than when the national poverty line was used.

(d) The Committee expressed the view that the ESCAP secretariat should coordinate its work closely with that of other agencies dealing with poverty reduction and statistics, such as the Organisation for Economic Cooperation and Development/Development Assistance Committee and Partnership in Statistics for Development in the 21<sup>st</sup> Century (PARIS21), by sharing information. In that regard, the secretariat had been consulting other agencies, notably the World Bank Institute and the Asian Development Bank, on the draft regional action plan on poverty statistics, and had been attempting to coordinate with the PARIS21 secretariat on its forthcoming meetings in the region. The Committee also emphasized that better coordination and cooperation among development organizations at all levels would enhance the efficiency and effectiveness of the secretariat's projects, and noted the secretariat's commitment to stronger regional coordination and to the promotion of synergies with development projects implemented by other United Nations agencies.

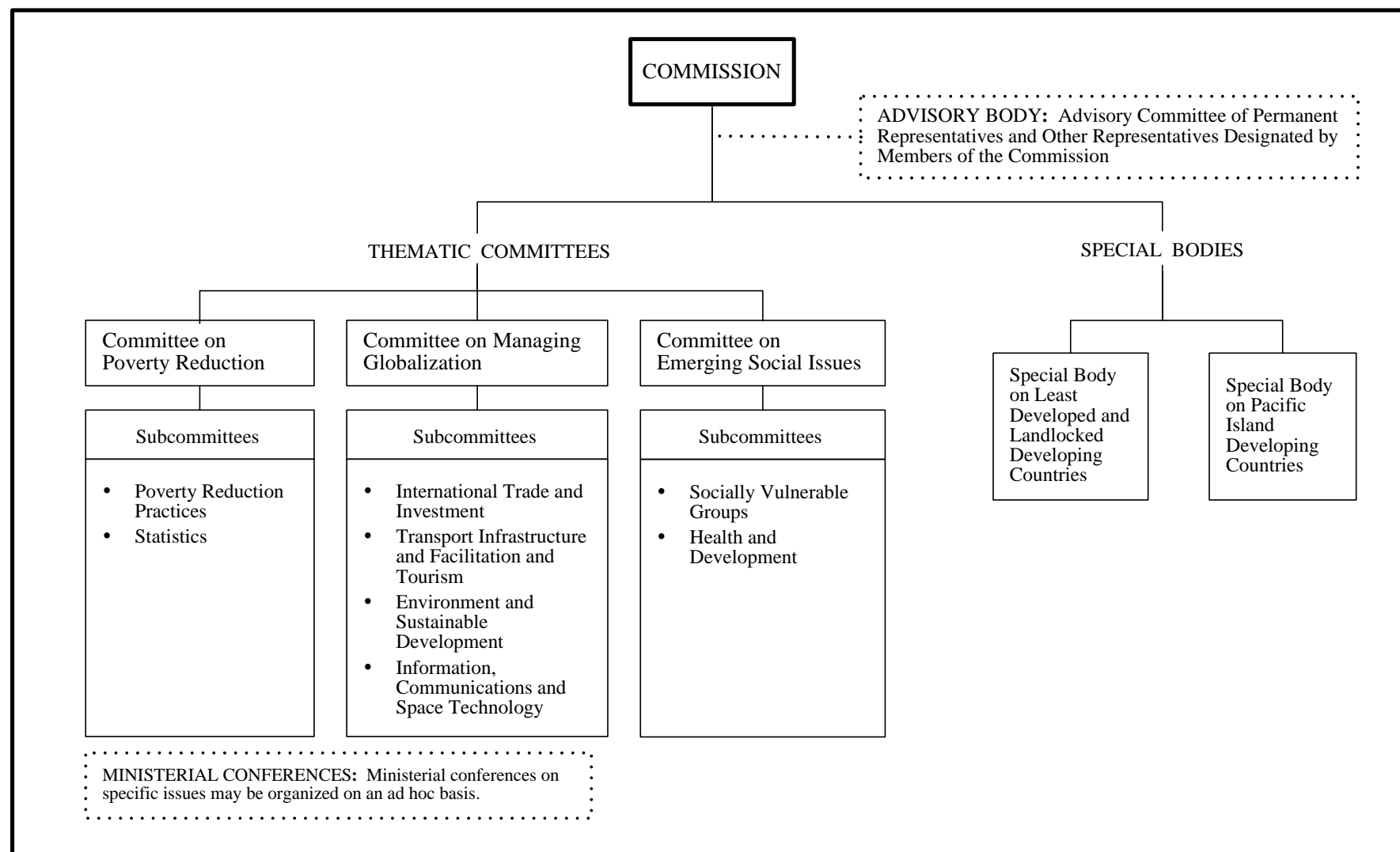
(e) Finally, in endorsing the preliminary draft medium-term plan for the period 2006-2009, the Committee felt that the plan should include support for the development of statistical data collection in the region that would allow data comparability and convergence of methodologies. It is suggested that this issue be taken up under the Subcommittee's discussion on programme matters.

6. The Subcommittee is invited to comment on the above issues or any other matter arising from the first session of the Committee on Poverty Reduction.

# ANNEXES

## Annex I

### ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC SUBSIDIARY STRUCTURE OF THE COMMISSION



*Annex II*

**TERMS OF REFERENCE OF THE  
COMMITTEE ON POVERTY REDUCTION**

A. Poverty is the leading development challenge facing developing countries in Asia and the Pacific, with two thirds of the world's poor living in this region. The urgent need for effective action on poverty reduction is reflected in the United Nations millennium development goals, which call for the proportion of people living in extreme poverty to be halved by the year 2015. Poverty is a multidimensional and dynamic phenomenon with complex and interlinked issues requiring an integrated focus on economic, social and environmental areas.

Against this background, the Committee on Poverty Reduction shall serve as a regional forum to assist members and associate members in meeting the objectives of (a) developing strategies and policies to reduce poverty in a rapid and sustained manner and improve the quality of life of the poor, (b) strengthening national statistical infrastructure to collect, analyse and disseminate statistics through the promotion of common methodologies for intercountry comparisons and improvement in the quality of statistics and (c) developing and sharing experiences concerning best practices in poverty reduction in both urban and rural areas.

The goal of the Committee shall be to enable the members and associate members of ESCAP to better design and implement pro-poor policies and strategies to attain the millennium development goals.

- B. Under the overall supervision of the Commission, the Committee shall:
1. Review the progress made and obstacles encountered in achieving both the quantitative and qualitative aspects of the relevant millennium development goals.
  2. Analyse global and regional trends and developments, including emerging economic and social issues, which have an impact on poverty levels in the region, with a special focus on recommending policy options that support pro-poor economic growth and prevent social inequities.
  3. Review and analyse progress in the development of statistics in the region, assist in the strengthening of national statistical infrastructure and promote the improvement of the quality of statistics, with emphasis on the following areas:
    - (a) Improvement and harmonization of methodologies for poverty measurement and related economic and social statistics;
    - (b) Priority fields of statistics identified by members and associate members, including, but not limited to, national accounts, the informal sector, gender statistics, environment statistics and statistics on information and communications technologies and the knowledge-based economy.
  4. Promote the exchange of experiences and the transfer of best practices on poverty reduction, as well as human and institutional capacity-building, with special emphasis on:
    - (a) Integrating poverty reduction, sustainable development and environmental protection;
    - (b) Integrating poverty reduction and population dynamics and migration;
    - (c) Strengthening the economic and social position of the poor through a needs-, development- and rights-based approach;
    - (d) Enhancing the participation of the poor in decision-making through community-based organizations;
    - (e) Fostering the development of sustainable and affordable information and communications technology focused on the needs of the poor.

5. Review and evaluate the implementation and effectiveness of the relevant programme of work of ESCAP and make recommendations to the Commission concerning future programmes of work and, in this process, ensure that cross-sectoral issues such as the special concerns of the Pacific island countries, landlocked developing countries, least developed countries and economies in transition, the environment, human resources development and women in development are adequately addressed.
6. Strengthen liaison with governmental and non-governmental, regional and bilateral organizations as well as private sector entities to support poverty reduction policies and strategies that maximize synergies and avoid duplication of effort.
7. Promote closer collaboration and joint activities with relevant agencies of the United Nations system to minimize overlap and duplication as well as promote increased liaison with financial institutions, development agencies outside the United Nations system, private sector organizations, non-governmental organizations and donor countries within and outside the ESCAP region so as to maximize the use of available resources and enhance the effectiveness and impact of the Commission's work in addressing critical development challenges in the region.
8. Work closely and coordinate with other subsidiary bodies of the Commission.
9. Carry out such other activities as the Commission may direct from time to time in matters relating to poverty reduction.

Within the context of its terms of reference, the Committee shall identify the tasks to be undertaken during a specified period. The Committee shall indicate the outcomes expected for each task, set a time frame for the achievement of each task and monitor its implementation and effectiveness.

The Committee shall be composed of all members and associate members of the Commission.

The Committee shall meet biennially and present its report to the Commission to facilitate deliberations on the reduction of poverty.

The Committee shall be assisted in its work by the following two subcommittees:

- (a) Subcommittee on Poverty Reduction Practices;
- (b) Subcommittee on Statistics.

While the Committee shall consider overall policy aspects of poverty reduction, the subcommittees shall focus on specific sectoral aspects of the mandates given to the Committee under its terms of reference.

The subcommittees shall meet in the intervals between sessions of the Committee, preferably in alternate years. The Committee shall provide overall direction to the subcommittees on the issues to be addressed and the prioritization of their work, which shall guide the subcommittees in determining their agendas. The Committee may decide that, in addition to meeting in years when the Committee does not meet, the Subcommittee on Statistics could meet in the alternate years to deliberate in particular on matters referred to in 3 (b) above. The reports of the subcommittees shall be submitted to the Committee at its subsequent session as a basis for deliberations at an intersectoral/thematic level. With regard to the reports of the Subcommittee on Statistics covering issues related to 3 (b), the Committee on Poverty Reduction should review those reports and also make them available to the other committees, as appropriate, taking into account the recommendations of the Subcommittee on Statistics.



*Annex III*

**EXTRACT FROM THE REPORT OF THE COMMITTEE ON POVERTY REDUCTION,  
BANGKOK, 8-10 OCTOBER 2003**

**B. Poverty statistics: statistics needed for poverty measurement**

30. The Committee considered the item on the basis of secretariat document E/ESCAP/CPR/2, entitled "Data sources for poverty analysis"; a presentation by the Australian Bureau of Statistics on the importance of statistics for good policy and planning; and a presentation by the National Statistical Office of Thailand giving data producer perspectives on poverty analysis.

31. In describing the major sources of poverty data, document E/ESCAP/CPR/2 made the point that measures and indicators of poverty were only as good as the underlying statistical data on which they were based. An understanding of the limitations and uncertainties of poverty measures should improve the policy conclusions drawn from them. The Committee noted that, as poverty was a multidimensional phenomenon, a large number of measures and sources were required in order to portray it fully. Thus, sound poverty measurement at the country level depended on the national statistical system as a whole.

32. The Australian Statistician and Chairperson of the former Committee of Statistics, in his presentation, outlined the vital role of statistics for good policy and planning. Good statistical information was necessary for formulating policies and monitoring their effects; good data should therefore be seen as an investment in good policy and planning. That was indeed the case with poverty statistics, where the basic requirements were not only to assess the number of people who were poor but to determine who they were, where they were located and how they could best be assisted. He gave some examples of the statistical requirements of different initiatives at varying levels from the global, regional and national levels down to the local level. Statistical information had to be of good quality to support policy analysis; therefore, there was a need to increase statistical capacity-building in many countries, including the ability to analyse and use data for policy purposes. The Committee on Poverty Reduction was urged to encourage Governments in the region to work collaboratively on improving poverty statistics and to provide adequate resources at the regional and national levels for that work.

33. The data producer perspective on poverty analysis was introduced by the representative of the National Statistical Office of Thailand. Her presentation touched on the policy response to the poverty problem, which in Thailand had led to the introduction of several new policies and programmes, all of which needed data to monitor and evaluate the degree of their success in reducing poverty. The major data source for poverty analysis in Thailand was the Household Socio-economic Survey, which was sufficiently large to give subregional information down to the provincial level.

Another data source, the Basic Minimum Needs data, collected at the community level, was not derived from individual interviews and was therefore less reliable; moreover, that source did not contain information on household expenditure and income. Among the improvements to the poverty data under current consideration was the introduction of a panel survey, which would allow the Government to better evaluate whether poverty reduction policies benefited poor households, as intended. The Committee noted that the country experience illustrated the dependence of good poverty analysis on good-quality data.

34. The Committee welcomed the secretariat paper on data sources and the two presentations, which together formed a good basis for the discussion on how to improve poverty data for policy and analysis. It also noted the need to strengthen national statistical infrastructure and promote improvement in the quality of statistics in order to evaluate the effectiveness of policies to reduce poverty.

35. The Committee welcomed the announcement that the Philippines was planning to host the International Conference on Official Poverty Statistics: Methodology and Comparability, to be held at Manila in October 2004. The Conference would address the need to establish a convergence mechanism for discussing and assessing the preparedness of the national statistical agencies in generating official poverty measurement and to formulate an integrated work plan for institutionalizing the regular compilation of official poverty statistics for periodic/progressive assessment of the Millennium Development Goals. Both poverty mapping and small-area estimation would figure prominently on the agenda. The Committee noted the desirability of coordinating the arrangements for the Conference with those for other meetings, including the envisaged high-level forum of Asian and Pacific statisticians recommended by the Committee on Statistics.

36. The Committee noted that many members felt keenly the importance of support for the national statistical agency from both policy makers and the general public. That support was necessitated by the role of the general public as survey respondents and the role of policy makers in allocating resources to public information about statistical services. The Committee stressed the need to view respondents as clients of the system and to make data, methods and results as widely available and user-friendly as possible. The more citizens appreciated the importance of statistics, and how they as data suppliers could contribute to the compilation of accurate statistics, the more likely were the national statistics systems to produce quality statistics for sound policy formulation. It could be expected that response rates would improve and that the work of the statistical agency would be valued more highly.

37. The Committee noted the value for statistical agencies of providing easy access to microdata, via web sites and other means, provided that the principle of confidentiality of personal data was fully respected. Users who had received feedback in the form of data that were useful to them, along with

explanations of the data-gathering process and methodologies, were far more likely to generate increased demand for good statistics, and that strengthened the *raison d'être* of the statistical system. The Committee recalled that usefulness to the population provided the ultimate rationale for allocating resources to statistical institutions.

38. As countries were compiling poverty indicators based on different methodologies and varying assumptions, the Committee emphasized the importance of transparent disclosure of the sources on which their data collection was based. Moreover, it felt that the users of poverty statistics should be informed candidly about the limitations posed to data interpretation by the methodologies and accuracy of underlying survey techniques and methods while statistical institutes should publish indicators of accuracy of statistical surveys. The Committee recommended that poverty statisticians and policy planners regard the media as allies and actively nurture relationships with their representatives. That would assist the media in fulfilling their responsibility to cite poverty statistics with the necessary contextual information (metadata) so as to avoid giving a biased or misleading picture of poverty.

39. The Committee noted that several countries were interested in introducing panel surveys to improve their poverty data. The longitudinal data obtained from such surveys provided better insight into changes over time of the social characteristics of the poor, and allowed Governments to better evaluate the success of measures for poverty reduction. Repeated observations of the same individuals over time made it possible to estimate the probabilities of the target group entering or exiting poverty as compared with the individuals who were not targeted by policy measures. National statistical offices might need to redesign their system of household surveys when they introduced rotating sample schemes into their existing surveys. The Committee emphasized the benefits of methodological efforts to link the results of different household surveys allowing the integration of income and expenditure data, on the one hand, and other socio-economic information, on the other. In that respect, the support of ESCAP and statistically advanced countries was explicitly requested.

40. The Committee also noted the difficulties that countries encountered with sampling infrequent phenomena, such as the incidence of poverty in local areas where numbers tended to be very small, and asked ESCAP to give guidance to national statistical offices on state-of-the-art statistical sampling techniques.

41. The Committee noted that in most countries where poverty was measured on a regular basis, income poverty was the primary concern; hence the focus was on improving the data collection instruments of household income and/or expenditure surveys. The Committee appreciated that a multidimensional approach to measuring poverty was increasingly being adopted by countries and that other sources of data, such as labour force surveys, were being explored in poverty measurement, with a view to depicting the profile of poverty from various perspectives.

42. The Committee expressed concern over the lack of a standard measure for poverty which could be used for cross-country comparisons. In that regard, scepticism was expressed as to whether the \$1 a day (PPP-adjusted) poverty line used by the World Bank and other international agencies as the global measure of extreme poverty was sufficient for national policy use and monitoring. The Committee called for increased international efforts to develop alternative measures and standardize concepts and methodologies, since the methods currently used yielded different interpretations and results.

43. The Committee was informed that a handbook on poverty statistics, to be published by 2005, was being prepared under a project of the United Nations Statistics Division. The ESCAP region might make substantial contributions to that work through discussions in the forthcoming session of the Subcommittee on Statistics and other forums.

44. The Committee learned that a growing number of countries in the ESCAP region were carrying out surveys on time use, and that the data were being used for many different purposes. Time-use data were increasingly seen as an essential tool for investigating socio-economic behaviour between different population groups and also for understanding the effect of macroeconomic policies on households. It therefore encouraged ESCAP to continue to support those countries which needed assistance in carrying out time-use surveys.

45. The Committee noted that much of the data needed to monitor development targets derived from administrative data, which were not supplied by national statistical offices but by ministries. It was essential for Governments to understand the importance of according adequate priority and resources to the collection of administrative data: good data production should be seen as an investment and not as a cost. The Committee recognized the importance for national statistical offices of maintaining a good relationship with such ministries. By treating the ministries as valued customers and providing them with reports that were useful in their work, national statistical offices would be in a position to ensure that the providers of administrative data observed good practices and responded in a timely way.

46. The Committee noted that some 35 countries in the region were embarking on the 2004 International Comparison Programme (ICP) to update and revise PPPs, which were crucial for intercountry and intracountry comparisons of living standards and, via the \$1 PPP per day measure (Goal indicator No. 1), for assessing the extent of global poverty. The view was expressed that it would be helpful if member States could be provided with time series tables of PPPs, until such time as updated PPP data from the 2004 ICP round became available.

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